

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **April 9, 2002**

AGENDA ITEM NO.: 12

CONSENT:

REGULAR: **X**

CLOSED SESSION:
(Confidential)

ACTION: **X Public Hearing**

INFORMATION:

ITEM TITLE: **Community Development Block Grant Program Income Appropriation**

RECOMMENDATION:

Adopt a Resolution appropriating \$91,531 to the Community Development Block Grant Fund, with resources of \$55,621 from unprogrammed prior years program income and \$35,910 estimated program income for the 2001 Action Plan to set up a contingency activity within the Community Development Block Grant (CDBG) Program.

SUMMARY:

As a result of the Department of Housing and Urban Development's (HUD) Consolidated Action Plan Evaluation Report (CAPER) of the CDBG Program for the period ending June 30, 2000 and the submittal of the 2001 Action Plan, HUD required that the City begin to include all estimated program income for an Action Plan in the annual appropriation for that plan year. HUD suggested that the City establish a contingency activity utilizing program income received in the CDBG Program for activities that may exceed the budget for the respective activity, or for additional project requests that might occur during the program year. Prior to this review, the Action Plans did not include any unprogrammed prior years program income that was not appropriated for the respective years.

City Council has the following options to consider for use of the funds.

1. Allocate the funds (\$91,531) to CDBG-eligible projects through the Citizen Participation Plan process (i.e. advertise for acceptance of applications, Citizens Advisory Committee review, public hearing and allocation of the available funds). If all funds were allocated to projects without establishing this contingency activity, there would be no funds available for use by the City or Lynchburg Redevelopment and Housing Authority (LRHA) for program income expenses.
2. Establish the contingency activity and at year-end (June 30, 2002) allocate all available remaining program income in this contingency activity to CDBG-eligible projects through the Citizen Participation Plan process (i.e. advertise for acceptance of applications, Citizens Advisory Committee review, public hearing and allocation of the available funds).
3. Establish the contingency activity and in the 2003 Action Plan (City's FY 2004 year) allocate all available remaining program income in this contingency activity to CDBG-eligible projects through the annual Citizen Participation Plan process (i.e. advertise for acceptance of applications, Citizens Advisory Committee review, public hearing and allocation of the available funds).

City staff recommends that Council follow the process of Option #3.

PRIOR ACTION(S):

April 2, 2002 - Finance and Planning Committee

FISCAL IMPACT:

Program income will now be allocated and appropriated on an annual basis during the annual budget process as opposed to retaining for future use.

CONTACT(S):

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ATTACHMENT(S): None

REVIEWED BY:

Resolution:

BE IT RESOLVED That \$91,531 is appropriated to the Community Development Block Grant Fund, with resources of \$55,621 from unprogrammed prior years program income and \$35,910 estimated program income for the 2001 Action Plan to set up a contingency activity within the Community Development Block Grant Program.

Introduced:

Adopted:

Certified:

Clerk of Council

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